



**DEPARTMENT OF THE NAVY
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AGC(E)03131
December 3, 2003

MEMORANDUM FOR DEPARTMENT OF THE NAVY INVITEES

Subj: ILS - LOCKHEED MARTIN ATLAS III - UFOF11 LAUNCH

International Launch Services (ILS), in conjunction with Lockheed Martin and Boeing, have invited approximately 450 people from Federal and local Governments, DoD, including the Air Force and the Navy, and industry to celebrate the scheduled launch of the UFOF-11 on the Atlas III expendable launch vehicle on December 15, 2003, at Cape Canaveral, Florida.

Associated events include a Welcome BBQ (\$40 per person), a Team Dinner (\$20 per person), refreshments at the launch (\$5 per person), and a post-launch celebration (\$30 per person). Tangible (commemorative) gifts include a world clock (\$9.83); logo lapel pin, sticker and coin (\$4 per person), Lucite Commemorative Piece for VIPs (\$65 each); Beanie Babies & ball for children (\$2.50); and a Space Center Tour (\$14). The cost of tangible gifts will be borne by Lockheed Martin and Boeing and not charged to any Government contract.

As Lockheed Martin and Boeing are prohibited sources, DON employees may not accept gifts from them unless there is an appropriate exception to the general gift prohibition.

INVITEES ATTENDING IN AN OFFICIAL CAPACITY

Under paragraph 2-300.c of DOD 5500.7-R, the Joint Ethics Regulation (JER), DOD employees, whose attendance at a ceremony to mark a vehicle launch is official and has been approved by the Head of the DOD Component command or organization, may accept certain gifts. The celebration of the Atlas III launch qualifies as a covered ceremony. Acceptable gifts are limited to the following: (1) attendance at appropriate functions incident to the ceremony and related food, hospitality and entertainment, as long as the function and related benefits are not lavish, excessive or extravagant and (2) tangible gifts or mementos in connection with the ceremony to DoD employees, their spouses, and dependent children as long as the aggregate retail value of the gifts does not exceed \$100 per family.

The value of the various receptions is approximately \$95, which we determine is not lavish, excessive, or extravagant. Therefore, Navy invitees attending the launch ceremony in an

official capacity, together with their spouses and dependent children, may accept the hospitality related to the event and tangible commemorative gifts in a combination not exceeding \$100 per family. Those traveling officially to the launch event may accept transportation to the event if accepted in advance in accordance with 31 U.S.C. § 1353 and its implementing regulations.

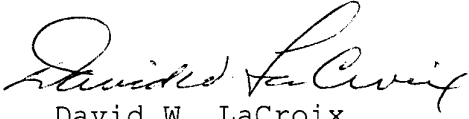
INVITEES ATTENDING IN OTHER THAN AN OFFICIAL CAPACITY

Navy invitees who attend in other than an official capacity may be able to attend the event and accept some of the gifts under other gift exceptions. If the event is a widely attended gathering and attendance is determined to be in the interest of the Department, employees may accept food, refreshments, and entertainment furnished to all attendees as an integral part of the event.

The Department of the Navy has determined that attendance by Department of Navy personnel at this ceremony qualifies as a widely attended gathering under 5 C.F.R. 2635.204(g)(2). This memorandum constitutes a blanket determination of agency interest in accordance with 5 C.F.R. 2635.204(g)(3)(ii). This memorandum also constitutes a finding under 5 C.F.R. 2635.204(g)(3)(i) that the Department of the Navy's interest in having employees attend this event outweighs concerns that the acceptance of the gift of free attendance may or may appear to improperly influence the employee in the performance of his official duties. Accordingly, invited Department of Navy personnel may accept food, refreshments, and entertainment furnished to all attendees as an integral part of the event. Access to Cape Canaveral is limited to badge holders. Invitees who are not badge holders will be required to travel accompanied by badge holders on buses provided by the sponsors. Such transportation is integral to the event if there is no other way to obtain access and is not considered to be a gift.

Tangible gifts that may be accepted by invitees not attending in an official capacity are limited to gifts with an aggregate value of \$20 or less per event from a single prohibited source, not to exceed \$50 per year from that source. Gifts to the employee's spouse or children are treated as gifts to the employee for purposes of these gift limitations.

Invitees with additional questions should contact their respective Ethics Counselor.

A handwritten signature in black ink, appearing to read "David W. LaCroix". The signature is fluid and cursive, with the first name "David" and last name "LaCroix" clearly distinguishable.

David W. LaCroix,
Assistant General Counsel (Ethics)